

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2008-192-WS**

**August 15, 2008**

Petition of the Office of Regulatory Staff for a	)	
Declaratory Order Against Seahorse Investment	)	<b>SETTLEMENT AGREEMENT</b>
And/or Britt Gaston Requiring Certification as a	)	
Water and Sewer Utility and the Posting of a	)	
<u>Performance Bond</u>	)	

This Settlement Agreement is made by and between the South Carolina Office of Regulatory Staff ("ORS") and Seahorse Investment, LLC and/or Britt Gaston (together referred to as "the Company") (together referred to as the "Parties" or sometimes individually as "Party").

WHEREAS, ORS filed a Rule to Show Cause against the Company requiring certification as a water and sewer utility and the posting of a performance bond;

WHEREAS, the Company is the owner and operator of a 66-unit mobile home park located at 7021 Stall Road in the North Charleston area of Charleston County, South Carolina;

WHEREAS, property tenants receive water from and discharge wastewater to Charleston Water System, and the Company is billed directly on a monthly basis for water and sewer service;

WHEREAS, the Company owns the water and sewer pipes on the property and is responsible for their repair and replacement,

WHEREAS, the Company has a system by which it separately meters the water usage of each tenant and can turn water on or off to individual tenants;

WHEREAS, S.C. Code Ann. § 58-5-10(4) (Supp. 2007) defines a public utility as “every corporation and person furnishing or supplying in any manner . . . water, sewerage collection . . . to the public, or any portion thereof, for compensation . . .”;

WHEREAS, the Public Service Commission (“Commission”) in Order. No. 2003-214 ruled that submeterers of water and wastewater services did not fall under the definition of a public utility and were outside the jurisdiction of the Commission;

WHEREAS, the Parties disagree and have a legitimate dispute and difference of legal opinion regarding the legal status of and necessity for the Respondent to be a certificated and regulated public utility;

WHEREAS, the Parties have varying legal positions regarding the issues in this case;

WHEREAS, the Parties have engaged in discussions to determine if a settlement of the issues would be in their best interests and in the case of ORS, in the public interest;

WHEREAS, following those discussions the Company has determined that its interests and ORS has determined that the interests of the State of South Carolina and the using and consuming public would be best served by stipulating to a comprehensive settlement of all issues pending in the above-captioned case under the terms and conditions set forth herein;

NOW, THEREFORE, the Parties hereby stipulate and agree to the following terms:

1. The Company seeks to operate as a submeterer in accordance with Commission Order No. 2003-214 and additional requirements as set forth in this settlement agreement.

2. The Company agrees to pass through the costs of water and sewer service to tenants at cost and without mark-up to each tenant based upon the tenant's actual usage. The Company may increase the charge to tenants consistent with rate increases received and billed by the Charleston Water System.

3. The Company pays a third party to read the meters and bill the tenants. The Company agrees that no additional charges for calculating, preparing, or sending the bills to tenants may be included in the bill passed along to each tenant.

4. The Company agrees that no additional costs for maintenance, repair, or replacement of the pipes or other elements of the system may be passed through to tenants.

5. The Company agrees not to pass through billing of employment cost allocations, management functions, and other items outside the charges based on actual usage as set forth in paragraph 2.

6. The Company agrees that ceasing or suspending service to tenants is a remedy to which only regulated utilities are entitled, and the Company will not turn off services to individuals for failure to pay charges.

7. The Company agrees it will file a request to approve the transfer of the system from Bartlett Real Estate, Inc. to the Company. The transfer approval request and accompanying deed are attached as Exhibit 1 to the Settlement Agreement. This transfer approval request is made in conjunction with the Settlement Agreement. Should the Commission decline to approve the Settlement Agreement in its entirety, the Company reserves the right to withdraw its current request and file a transfer approval request in conjunction with a rate establishment case.

8. The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable, and full resolution of the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

9. The Parties agree not to introduce or use this Settlement Agreement to constrain, inhibit, impair, or prejudice the other party in other proceedings. If the Commission should decline to approve the agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty or obligation.

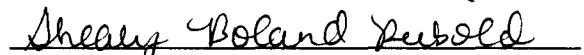
10. This Settlement Agreement shall be interpreted according to South Carolina law.

11. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement

and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

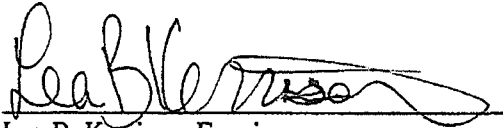
WE AGREE:

**Representing the South Carolina Office of Regulatory Staff**

  
Shealy Boland Reibold, Esquire  
**South Carolina Office of Regulatory Staff**  
1441 Main Street, Suite 300  
Columbia, SC 29201  
Phone: (803) 737-0863  
Fax: (803) 737-0895  
E-mail: [sreibol@regstaff.sc.gov](mailto:sreibol@regstaff.sc.gov)

WE AGREE:

**Representing Seahorse Investment, LLC and Britt Gaston**

A handwritten signature in black ink, appearing to read 'Lea B. Kerrison', written over a horizontal line.

Lea B. Kerrison, Esquire

**Young Clement Rivers, LLP**

28 Broad Street (P.O. Box 993)

Charleston, South Carolina 29401 (29402)

Phone: (843) 724-6640

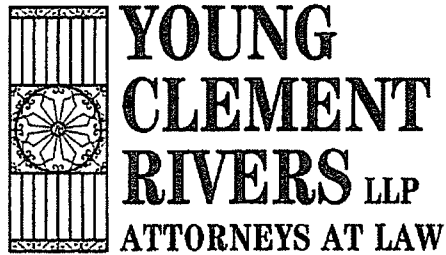
Fax: (843) 579-1328

Email: [lkerrison@ycrlaw.com](mailto:lkerrison@ycrlaw.com)

CHARLESTON  
28 BROAD STREET  
P.O. Box 993  
CHARLESTON, SC 29402-0993  
TELEPHONE: (843) 577-4000

www.ycrlaw.com

Other Office:  
Columbia, SC



Lea B. Kerrison

Direct Dial: (843) 724-6640  
Direct Fax: (843) 579-1328  
E-mail: LKerrison@ycrlaw.com

August 15, 2008

**Delivered By: Shealy B. Reibold, Esquire**

The Honorable Charles Terenni  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
101 Executive center Drive, Suite 100  
Columbia, SC 29210

Re: Docket No. 2008-192-WS  
YCR File: 13819-20080994

Dear Mr. Terenni:

In accord with the proposed settlement agreement submitted to the Commission in the above-referenced docket, please accept this letter as a request that transfer of the ownership of the Dale Valley Mobile Park ("Dale Valley") from Bartlett Real Estate, Inc. to Seahorse Investments, LLC ("Seahorse"). A copy of the deed evidencing the transfer, recorded in the Charleston County RMC Office at Book L587, Page 318, is enclosed for reference.

Dale Valley contains approximately sixty-six units and is located at 7021 Stall Road, North Charleston, South Carolina. Water and sewer service for Dale Valley were provided by S.D. Utilities, LLC during the time in which Bartlett Real Estate, Inc. owned and operated the property. Per the South Carolina Secretary of State, S.D. Utilities, LLC dissolved on July 3, 2006, shortly after the sale of Dale Valley to Seahorse. It is apparent from the review of the Charleston County RMC Office records that S.D. Utilities, LLC never owned a real property interest in Dale Valley.

As stated in the settlement agreement, this request is made in conjunction with a joint request that Seahorse be deemed a submeterer by the Commission, and we request that the Commission deny approval in the event Seahorse shall not be deemed a submeterer. In such event, Seahorse shall make a more extensive request, including supporting documentation for rate approval.

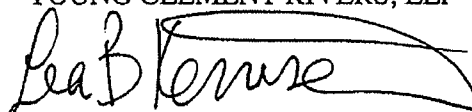
We appreciate that Commission's consideration of this request and look forward to full resolution of Docket 2008-192-WS.



Very truly yours, I am

Sincerely,

YOUNG CLEMENT RIVERS, LLP

A handwritten signature in black ink, appearing to read "Lea B. Kerrison". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Lea B. Kerrison

LBK/ktb

Enclosures

cc: Shealy B. Reibold, Esquire

BK L 587PG318

STATE OF SOUTH CAROLINA    )  
  )  
COUNTY OF CHARLESTON    )    **TITLE TO REAL ESTATE**  
  )    **WARRANTY DEED**

KNOW ALL MEN BY THESE PRESENTS, that **Bartlett Real Estate, Inc** (the "Grantor,") in the state aforesaid, in consideration of the sum of **One Million Seventy Five Thousand and 00/100 DOLLARS (\$1,075,000 00)**, to the Grantor in hand paid at and before the sealing of these presents by **Seahorse Investments, LLC** (the "Grantee,") the receipt whereof is hereby acknowledged, has granted, bargained, sold, and released, and by these presents does grant, bargain, sell, and release unto the said **Seahorse Investments, LLC**, its successors and assigns, the following described real property, to wit

All that piece, parcel or lot of land, with the improvements thereon, situate, lying and being on the West side of Stall Road, in the County of Charleston, State of South Carolina, measuring and containing 9 45 acres, more or less, and being more particularly shown on a plat by A.L. Glen, Reg P E and L S , dated June 6, 1967; said plat being recorded in the RMC Office for Charleston County on June 14, 1967, in Plat Book W, at Page 41, entitled "Map of 9.45 Acre Tract owned by Ethel B Neal, Situated West of Stall Road and East of Southern RR, Charleston County, SC," said property having such size, shape, dimensions, buttings and boundings as are shown on said plat which is made a part hereof

ALSO

All that piece, parcel or tract of land, with the improvements thereon, situate, lying and being in the County of Charleston, State of South Carolina, known and designated as Lot B, on a plat entitled "Plat of Dale Valley Mobile Home Park, near Midland Park Showing a 1.33 Acre Tract About to be Added to the Existing Park," made by James F. Bennett, dated April 1978, and recorded in Plat Book AK, at page 114, in the RMC Office for Charleston County Said property having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully and at large appear.

This conveyance is made subject to any and all existing reservations, easements, rights-of-way, zoning ordinances, and restrictive or protective covenants that appear of record or that may be discerned by inspection of the premises. This being the same property conveyed to Bartlett Real Estate, Inc. by Deed of Dale Valley, Inc., a South Carolina Corporation, dated August 15, 2001 and recorded in Book M380 at Page 891, Charleston County Records Office.

TMS#           478-13-00-018 (for both parcels)  
Grantee's address    9 Seahorse Court, Isle of Palms, SC 29451

TOGETHER with all and singular the Rights, Members, Hereditaments and Appurtenances to the said premises belonging, or in anywise incident or appertaining

TO HAVE AND TO HOLD all and singular the said Premises before mentioned unto the Grantee herein above named, its successors and assigns forever

AND THE GRANTOR does hereby bind the Grantor and its successors and assigns to warrant and forever defend all and singular the said premises unto the Grantee herein above named, its successors and assigns against the Grantor and the Grantor's successors and assigns and against every person or entity whomsoever lawfully claiming to claim the same or any party thereof

WITNESS its hand and seal this 9<sup>th</sup> day of June, 2006

Signed, Sealed and Delivered  
in the Presence of

Witness #1

Witness #2

Bartlett Real Estate, Inc

By

Its President

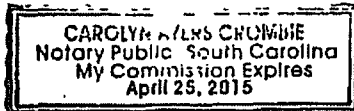
STATE OF SOUTH CAROLINA )  
COUNTY OF CHARLESTON )

# ACKNOWLEDGEMENT

BEFORE ME personally appeared, Elizabeth Bartlett as President of Bartlett Real Estate, Inc to me well known to be the person described in and who executed the within instrument, and she acknowledged to and before me, an officer duly authorized in the state and county aforesaid to take acknowledgments, that she executed said instrument for the purposes therein expressed therein

WITNESS my hand and official seal this 9<sup>th</sup> day of June 2006

Carolyn Alys Crombie  
Notary Public for SOUTH CAROLINA  
My Commission expires \_\_\_\_\_  
(NOTARIAL SEAL)



**AFFIDAVIT**

OK L 587PG320  
p. deposes and says that in 1964

1 I have read the information on this Affidavit and I understand such information

2 The property is being transferred BY Bartlett Real Estate, Inc TO Seahorse Investments, LLC  
ON June 9 2006

3 Check one of the following **The DEED is (check one)**

(a) X subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth

(b) \_\_\_\_\_ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as distribution to a trust beneficiary

(c) \_\_\_\_\_ EXEMPT from the deed recording fee because (exemption# \_\_\_\_\_)  
(Explanation if required) \_\_\_\_\_  
(If exempt, please skip items 4-6, and go to item 7 of this affidavit )

4 Check one of the following if either item 3(a) or item 3(b) above has been checked

(a) X The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$1,075,000 00

(b) \_\_\_\_\_ The fee is computed on the fair market value of the realty which is \$ \_\_\_\_\_

(c) \_\_\_\_\_ The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ \_\_\_\_\_

5 Check YES\_\_ or NO X to the following A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer If "YES," the amount of the outstanding balance of this lien or encumbrance is \$ \_\_\_\_\_

6 The DEED Recording Fee is computed as follows

(a) \$1,075,000 00 the amount listed in item 4 above

(b) \$0 00 the amount listed in item 5 above (no amount place zero)

(c) \$1,075,000 00 Subtract Line 6(b) from Line 6(a) and place the result

7 As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as Grantor

8 I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both

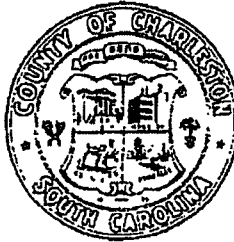
By Clifford N. Bartlett  
Its PRESIDENT

CAROL ANN WELLS COLEMAN  
 Notary Public for the State of North Carolina  
 My Commission Expires  
 April 25, 2015

BK L 587PG321

## RECORDER'S PAGE

NOTE: This page MUST remain  
with the original document



**FILED**

June 14, 2006

10 24 14 AM

BK L 587PG318

Charlie Lybrand, Register  
Charleston County, SC

Filed By

Finkel & Altman

Attorneys at Law

P O Box 71727

N Charleston

SC 29415

RECEIVED FROM RMC

JUN 26 2006

PEGGY A MOSELEY  
CHARLESTON COUNTY AUDITOR

PID VERIFIED BY ASSESSOR

REP

DATE JUN 26 2006

AMOUNT

DESCRIPTION

Recording Fee	\$ 10 00
State Fee	\$ 2,795 00
County Fee	\$ 1,182 50
Postage	

TOTAL

\$ 3,987 50

\$ Amount (in thousands)

1075

DRAWER

C - slw

DO NOT STAMP BELOW THIS LINE

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**

**DOCKET NO. 2008-192-WS**


IN RE: Petition of the Office of Regulatory )  
Staff for a Declaratory Order )  
Against Seahorse Investment and/or )  
Brett Gaston Requiring Certification )  
as a Water and Sewer Utility and the )  
Posting of a Performance Bond )

**CERTIFICATE OF SERVICE**

This is to certify that I, Pamela J. McMullan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **Explanatory Brief and Joint Motion, Settlement Agreement and Proposed Order** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Britt Gaston  
9 Seahorse Ct.  
Isle of Palms, SC 29451-2454

Lea B. Kerrison, Esquire  
Young, Clement, Rivers, LLP  
PO Box 993  
Charleston, SC 29402

  
Pamela J. McMullan

August 15, 2008  
Columbia, South Carolina